



Neighborhood Sales Tax Revitalization

## *Guidelines*

Revised March, 2007

## Neighborhood Sales Tax Revitalization (STAR) Program

Thank you for your interest in STAR. Whether you're an active citizen, a program applicant, or a successful STAR partner, your input and participation is critical to the program. Listed below please find a number of ways to contact city staff with your questions and comments:

### MAIL:

Neighborhood STAR Program  
25 West Fourth Street, Suite #1400  
Saint Paul, Minnesota 55102-1622

### PHONE:

General Information: (651) 266-STAR [7827]

### STAR Support Staff:

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### WEB SITE:

[www.stpaul.gov/depts/ped/star](http://www.stpaul.gov/depts/ped/star)

*NOTE: The city's web site contains a variety of valuable STAR information, including:*

- |                        |                        |
|------------------------|------------------------|
| ☆ Program descriptions | ☆ Program Guidelines   |
| ☆ Application forms    | ☆ e-mail program staff |

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## Overview of the Saint Paul STAR Program

**What is the STAR Program?** The Neighborhood Sales Tax Revitalization (STAR) Program provides loans and grants for physical (capital) improvement projects in Saint Paul neighborhoods.

**Who can apply?** Eligible applicants include any public, private, or non-profit or for-profit entity located in or doing business in Saint Paul.

**What kinds of activities can I do?** Eligible activities are physical (bricks and mortar) enhancements which strengthen and/or improve the neighborhoods of Saint Paul. Improvements may include commercial and housing rehabilitation, parks, streetscape projects, and economic development activities. Capital improvements generally have an expected life of seven or more years, and should not be deferred maintenance activities.

**When can I apply?** STAR funds are traditionally awarded through three separate competitive processes. *The Small Loan and Grant Program* cycle is held from January through April. *The Large Loan and Grant Program* begins in April, with awards typically occurring in October. Finally, a *Year Round Loan Program*, may have funding available for initiatives that do not meet program time constraints. For details, please call 651-266-STAR or review the STAR website: [www.stpaul.gov/depts/ped/star](http://www.stpaul.gov/depts/ped/star)

**How does the funding work?** STAR funds must be matched on at least a 1:1 basis with non-city resources, and are provided to awardees on a reimbursement basis.

**How much money is available?** Annual sales tax collections, loan repayments and investment earnings determine funding availability. Program Guidelines recommend 60% of STAR funds be used to finance loans, and 40% for grant activities.

**What types of activities are more likely to get funded?** Good, well thought out projects. Proposals that are developed with neighborhood involvement and support, exceed the required leverage amount, and/or have other sources dedicated for all administrative expenses may also receive more favorable consideration.

**Who do I talk to?** The inside cover of this booklet contains all of the contact information needed.

# **PART 1 - Program Description**

## **Purpose**

Saint Paul's neighborhoods are one of its greatest assets. With this in mind, state and local legislation was enacted in 1993 to allocate revenue from the city's half-cent sales tax to the *Neighborhood Sales Tax Revitalization (STAR) Program*. Administered by the City's Department of Planning and Economic Development (PED), STAR provides loans and grants for physical improvement projects which could generally not be accomplished through existing city programs.

The STAR Program represents an extraordinary opportunity to revitalize our community. Stabilizing and renewing Saint Paul's housing stock, rejuvenating public infrastructure, and providing economic development opportunities can be accomplished through the strategic use of STAR funds.

## **Funding**

An annual STAR budget is proposed by the Mayor as part of the City's budget process, and is approved by the City Council. The appropriation is based on a combination of sales tax revenue projections, loan repayments, and investment interest. The goal of the program is to award sixty percent (60%) of the Neighborhood STAR funds as loans, and forty percent (40%) as grants.

## **STAR Program Cycles**

The Neighborhood STAR Small Loan and Grant Program cycle occurs each January through April, offering matching loans and grants between \$5,000 and \$25,000 to non-profit, public and for-profit entities. Non-profit and public entities may request loan and/or grant assistance through this program. Individual for-profit entities are eligible to apply for a small loan or a loan/grant combination provided the grant portion is equal to or less than the amount of loan dollars being requested.

The Neighborhood STAR Large Loan and Grant Program, offering matching loans and grants over \$25,000, begins with an orientation in April of each year with applications due in June. Funding recommendations are reviewed by the Mayor and City Council in October. Non-profit and public entities may request loan and/or grant assistance through this program. Individual for-profit entities are eligible to apply for a loan or a loan/grant combination provided the grant portion is equal to or less than the amount of loan dollars being requested.

When funding is available, the STAR Year Round Loan Program provides access to initiatives which have a particular urgency, and cannot meet the general program cycles.

## **General Policies and Expectations**

STAR proposals must be capital (bricks and mortar) improvement projects or programs, and be located within the Saint Paul city limits.

Programs and projects will maximize the use of STAR funds by matching city funds on a minimum dollar for dollar basis with additional non-city resources.

STAR initiatives should help to maintain or increase the tax base.

Projects\activities should be part of an approved plan or initiative, and address identified unmet needs.

Proposals should be the result of collaboration and partnership with appropriate stakeholders.

Address needs that affect more than one neighborhood when appropriate, and include participation by the private lending community.

Projects and programs financed with STAR funds are expected to be used for their funded purpose for seven (7) or more years. If for any reason the program is discontinued or the property is sold prior to seven years, the STAR award may be required to be returned to the city.

Over time, STAR projects and resources should strive for geographic and financial equity across city neighborhoods.

## **PART 2 - Eligibility**

### **Eligible Applicants**

Public, non-profit and for-profit entities located or doing business within the City of Saint Paul (except as identified below) are eligible to apply to STAR's Small Loan and Grant Program, Large Loan and Grant Program and the Year-Round STAR Loan Program.

Programs by non-profit community organizations serving homeowners, condominium or townhome owners;

For-profit entities are eligible to apply for a loan or a loan/grant combination provided the grant portion is equal to or less than the amount of loan dollars being requested.

City departments and quasi-governmental entities are eligible to apply when in partnership with a neighborhood and/or community group.

Churches and religious organizations are eligible to apply when in partnership with a neighborhood and/or community group only with respect to a project that: (i) is non-sectarian and whose primary effect neither advances nor inhibits religion; (ii) will make capital improvements for functions not associated with church sponsored or religious type activities; and (iii) is open and available to the public at large on a regular basis.

## **Ineligible Applicants**

Political parties and political action groups.

Federal, state, and county agencies and departments.

Individual homeowners.

Condominium or townhome owners and/or the non-profit or for-profit association representing them.

Individual for-profit businesses with grant-only proposals.

## **Eligible Activities**

Rehabilitation and/or construction of residential, commercial and industrial property.

Most fixed interior and exterior improvements to commercial and residential facilities including: walls, ceilings, floors, lighting, windows, doors, entrances, electrical, plumbing.

HVAC, energy and security improvements, handicapped accessibility, and building code corrections.

Minor public improvements (major improvements should be referred to the city's Capital Improvement Budget Process.)

Beautification of public space, including trees and shrubs, benches, play equipment, and lighting.

## **Ineligible Activities**

In general, any activity not of a physical, or "bricks and mortar" nature, is ineligible for STAR funding. The following is a list of examples that do not meet the definition of a capital improvement:

Planning or study activities.

Costs associated with the preparation of a STAR proposal.

Public service programs (i.e crime prevention, block nursing programs, child care etc.)

Refinancing existing debt.

Non-fixed improvements (i.e. office equipment, computers, furniture, appliances, vehicles, telephone systems etc.)

General administrative expenses, including staff management, working capital, and general maintenance costs.

Project/programs located outside of the city limits.

Major public improvement projects.



Payment for the applicant's own labor and performance for construction or improvements.

Duplication of an existing city program.

Developer's fees to persons receiving the benefit of the project/program.

## **STAR Direct Project Costs**

Up to twenty percent (20%) of STAR funds may be used for costs directly associated with the physical improvement, including: acquisition costs, environmental testing, legal fees, building permits, licensing and inspection fees, general contractor's fees, and project management directly related to the activity.

## **PART 3 - Application Procedure**

### **Proposal Development**

Sales tax funds are a valuable resource for Saint Paul neighborhood improvement. It is critical that the city is strategic in allocating these funds to maximize their benefit. When preparing a STAR proposal, applicants should consider the following:

The STAR Program is designed to finance capital projects that could not generally be accomplished through existing city programs. Potential applicants are encouraged to meet with city staff, neighborhood organizations and community groups to identify needs, and explore opportunities to share capacity and expertise.

Applicants should consider collaborating with others to provide technical services (i.e. loan underwriting, loan servicing, and credit analysis) not available in their organization. STAR resources may not be used to develop or duplicate administrative capacity.

Applicants should seek out opportunities to implement existing neighborhood plans and strategies, such as small area plans. Likewise, proposals which can be implemented in conjunction with other city-planned improvements will make the best use of scarce resources.

City staff will provide technical assistance to applicants, if requested, to help insure a complete and viable application.

### **Application Preparation**

A STAR Workshop will be held at the beginning of each funding cycle to provide program information to prospective applicants. Final applications will be due five to seven weeks after that date.

Application forms will be available at each workshop, online @ [www.stpaul.gov/depts/ped/star](http://www.stpaul.gov/depts/ped/star) or by calling 651-266-STAR.

All applications must be submitted on the STAR application form, complete, and on time to be considered for funding.

STAR applications also require the following financial information: a project proforma; sources of private lender financing; and a financial history which includes balance sheets, operating statements and/or tax returns.

Proposals requesting STAR funding for a sub-loan/sub-grant program must include detailed sub-program guidelines.

## **Application Submission**

A fee of \$50.00 is required for each Small STAR Program application, and a \$100.00 fee is required for each application to the Large STAR Program or the Year-Round Loan Program. All fees are non-refundable. Copies of past STAR applications are available to any and all interested parties.

**Review and Input:** Proposal review and input will be requested from the following:

Neighborhood and community organizations where the proposed activity will be located;

PED Credit Committee for a review of the projects financial feasibility;

The Saint Paul Planning Commission for compliance with adopted plans and policies;

The Capital Improvement Budget Committee to assist in coordinated decision making; and

Various City Departments as appropriate.

## **PART 4 - Evaluation and Selection Process**

The Neighborhood STAR Board serves as the formal review body for proposals requesting Neighborhood STAR funds. The twenty-one members serving on the Neighborhood STAR Board are interested citizens who are recommended by the Mayor and approved by City Council to serve four-year terms.

**Evaluation:** Proposals will be reviewed for the following eligibility and selection criteria:

The extent to which the proposed activities meet the STAR eligibility guidelines.

The extent to which the proposal meets or exceeds the "1 to 1" leveraging ratio.

The proposal's financial feasibility.

The managing organization's capability to successfully implement and manage the project or program.

The proposal's ability to address an identified neighborhood need or goal.

The extent to which the proposal is neighborhood based and was developed with community input.

**Selection Process:** The Neighborhood STAR Board will review, rate, and rank each proposal on its merit, and provide a list of recommended proposals to the Mayor and City Council. The STAR Board will take into consideration CIB Committee and Planning Commission comments, and PED's Credit Committee guidance as part of the recommendation process.

During the review process, applicants may be asked to provide additional information to the STAR Board, and may be asked to consider a modification to their proposal.

The Mayor will review the recommendations of the STAR Board and forward his/her recommendations to the City Council.

The City Council, in turn, will review the Mayor's recommendations, and adopt by resolution a final list of STAR projects.

**Proposals may receive more favorable consideration during the selection process if:**

The proposal has a positive impact on the tax base, neighborhood businesses, residential neighborhoods and/or job creation:

The proposal is part of a well-defined, broad strategy for neighborhood development or maintenance.

Activities are sufficiently concentrated within an identified geographic area to result in a high visual or economic impact.

Sufficient planning or feasibility analysis indicates a high probability of success.

Neighborhood support is documented with an appropriate mix of residents, property owners and/or business people relevant to the project included in the planning, development and implementation of the proposal.

Proposal includes direct coordination with other city, private, or non-profit programs and projects that results in a more efficient and strategic use of funds.

Proposal leverages additional funds or resources which exceed the required match.

Percentage of the match is direct cash, or capital investment is high.

All administrative expenses are funded through other sources.

## **PART 5 - Leverage / Match Fund Requirements**

### **Eligible Matching Contributions**

Eligible matching contributions may include: private funds, foundation and corporate grants, local lender commitments, local contributions or funds raised from within the neighborhood, or operating assessments estimated over the life of the improvements.

A minimum of one non-STAR (private) dollar for every one STAR dollar is required for all loans and grants.

Matching funds must be directly related to the applicant's proposal.

Additional City funding (CDBG, TIF, CIB, and HRA funds) may be used as a match only if the funds are in the form of a pay-back loan.

Although Federal, State, County funds may be used as leverage, priority will be given to projects matched with private funds.

Project costs incurred after submission of a completed application form to STAR staff can be considered as matching dollars.

Applicants are encouraged to finance direct project management expenses with outside private resources (i.e. foundation grants, cash donations) and identify these funds as part of the match.

The value of sweat equity and/or volunteer labor is valued at \$10.00 per hour, and may not exceed 30% of the total match.

The STAR Board may, at their discretion, recommend approval of other matching contributions on a case-by-case basis.

If STAR capital funding is to be matched by an operating assessment, no funding will be disbursed until after final ratification of the assessment.

Indirect contributions from residents and businesses may include in-kind/project specific services such as: professional services, office space, supplies, volunteer labor, and sweat equity for physical improvements.

### **Ineligible Matching Contributions**

Volunteer meeting time.

In-kind service donations from the STAR applicant.

Volunteer labor and sweat equity exceeding 30% of required match.

General operating expenses of the organization.

Donations not directly related to the STAR project.

City forgivable loans and/or grants.

Unrelated improvements in the general area of the project.

Improvements made prior to submission of the STAR application.

# **PART 6 - Awards and Implementation Process**

## **Program/Project Implementation**

Upon selection by the Mayor and City Council, the STAR applicant will be sent a Letter of Funding Commitment.

City staff will hold a post award meeting to provide a general review of city regulations applicable to all STAR activities. STAR recipients are cautioned not to make any financial commitments until the compliance and funding requirements are fully understood and agreed to by all parties.

Awardees will have up to six months to refine their project, secure financing and/or match commitment, and enter into a formal agreement with the city for the use of STAR funds. Failure to execute an agreement in the allowed time-frame may result in a cancellation of the city's funding commitment.

Projects are expected to be completed within a maximum two-year time-frame. Proposals are selected based upon the information contained in the application and may not be significantly changed during project implementation.

## **Contract Execution**

Prior to entering into a formal agreement with the City of Saint Paul, an individual preconstruction meeting will be held with the STAR recipient and their contractor to review specific affirmative action, labor standards and vendor outreach compliance. The agreement will contain a:

Statement of Work detailing the work to be performed, the source of leverage, total project budget and implementation timeline;

Valid insurance certificate with appropriate liability coverage with the City of Saint Paul listed as an additional insured;

Public purpose statement;

Conflict-of-interest statement; and

Appropriate forms pertaining to the use of funds in order to adhere to applicable federal, state and local regulations.

## **STAR Fund Distribution**

Individual Reimbursement and Match forms will be generated by city staff for each STAR project.

STAR funds are provided on a reimbursement basis only for project expenditures incurred after City Council approval.

Loan/grant reimbursements are, when feasible, to be made simultaneously.

## **Non-Profit Sub-loan/Sub-grant Programs**

Detailed sub-loan/sub-grant guidelines must be included in the STAR agreement;

Non-profit entities will be allowed up to three (3) years to disburse STAR funds and one (1) year after final disbursement to begin loan repayments.

Non-profit organizations are not eligible to apply to their own sub-loan/sub-grant program;

A first in, first out provision whereby a non-profit entity applying for additional dollars for an established or duplicate program must spend the balance of existing program funds completely before newly awarded STAR funds are disbursed.

## **PART 7 - Loan Standards**

The goal of the STAR loan program is to earn a reasonable interest over time. Applicants, however, propose the interest rate and terms that best suit their project. Rates and terms are analyzed by the PED Credit Committee and may be modified. Results of the credit analysis are forwarded to the STAR Board.

## **PART 8 - Year-Round STAR Loan Program**

Applications for STAR loan funds will be accepted throughout the year, when funding is available, under the following conditions:

The applicant demonstrates a definite need to forgo the annual STAR process;

All applications are submitted on the STAR Year-Round Program application form available from STAR staff;

A fee of \$100.00 is required for each application. All fees are non-refundable;

The proposal is reviewed by the Neighborhood STAR Board;

A grant component of up to 25% of the total STAR funding request may also be considered under the year-round loan program providing the activity meets all of the conditions of the loan component, and the activity would not be feasible “but for” the grant assistance.

## **Application and Evaluation Process**

Review of STAR year-round applications by the STAR Board, with input from neighborhood organizations, the general public, PED Credit Committee, Planning Commission, CIB Committee and City Departments as appropriate.

STAR Board funding recommendations are submitted to the Mayor and City Council for final approval.

Commitment letters with specific requirements and time line for actions to be completed are sent to those approved for funding.

## **PART 9 - Neighborhood Investment Initiative Program**

The Neighborhood Investment Initiative (NII) Program provides a limited amount of STAR funds to each Council Ward for initiatives within each District. Applications are made through the appropriate City Council Member. All rules and regulations governing the Neighborhood STAR Program are in effect.

## **PART 10 – Project Monitoring and Reporting**

Project managers will monitor reimbursements and match activity for both progress and contract compliance. Attachments to these documents will provide documentation on project expenditures, status of match commitments, and progress toward meeting expected project outcomes. These actions will allow for timely adjustment of individual projects if necessary.

A final evaluation of each project will be required to determine the extent to which the project has been successful. Project success will be measured against expected project outcomes and the overall objectives of the STAR Program. This final evaluation must be received before the final reimbursement is released.

At the time of completion of all activities contained in the agreement or upon expiration of the agreement, any remaining project fund balances will be returned to the STAR fund.

### **Annual Report to the Mayor and City Council**

City staff shall provide an annual report on the program and financial activities of the STAR Program to the Mayor and City Council.

### **Annual Review of Priorities**

Priorities for the use of sales tax funds are reviewed on an annual basis. The STAR Board and city staff shall conduct a review and forward any comments and recommendations to all interested parties.

### **Audits and Quality Control**

It will be the responsibility of funded entities to provide all necessary documentation, as determined by the city, for purposes of determining program eligibility and ongoing program compliance.

## APPENDIX: ACRONYMS AND DEFINITIONS

### Acronyms

- CDBG** Community Development Block Grant, a federal grant to cities which can be used for a wide variety of community development activities. Activities funded must principally benefit low and moderate income persons.
- CIB** Capital Improvement Budget, the city's bi-annual budget for capital improvements.
- HOME** Home Investment Partnership Program, a federally funded program that provides assistance in the development and rehabilitation of low and moderate income housing programs and projects.
- HRA** Housing and Redevelopment Authority, the legal entity that undertakes redevelopment activities on behalf of the City of Saint Paul. The HRA Board members are also members of the City Council.
- PED** Planning and Economic Development Department is the city department responsible for housing and economic development initiatives. PED staff administers the STAR program.
- RLP** Revolving loan program, a program that provides loans for housing or business improvements, and recycles the repayments to make additional loans.
- STAR** Sales Tax Revitalization Program.
- TIF** Tax Increment Financing is a funding mechanism that calculates the value of a proposed development, and then issues debt based on that value. The increase in taxes is then used to pay for the improvements over a period of time.

### Definitions

**Account Officer** - a PED staff person that is assigned to work with persons in the development, oversight, and management of activities financed in whole or part with city funds.

**Administrative Expenses** - General overhead costs necessary to run an organization, including payroll, office space, supplies, rent, utilities, etc.

**Adverse Lending** - An entity or person has an adverse lending relationship with the city if the entity or person has defaulted on a city loan, is behind in loan payments, or has a current or past lawsuit against the city.

**Affirmative Action** - A city policy which requires entities that receive city financial assistance to develop a plan for the recruitment and integration of women and minorities in their businesses.

**Allocation Goals** - Percentages established by the STAR program that recommend



amounts of funds to be utilized in each of the program areas.

**Amortization Schedule** - A plan for paying back a loan over a specified period of time.

**Annual Report** - A written document completed once a year on activities and accomplishments of the Neighborhood STAR Program.

**Applicant** - An entity applying for a loan and/or grant from the STAR program.

**Apprenticeship Opportunities Pilot Program** – A two-year pilot program allowing apprentices enrolled in an approved training program the opportunity to work on construction projects receiving \$50,000 or more of city assistance.

**Audit** - An examination of an organization's financial and administrative records to ensure compliance with financial and program standards.

**Borrower** - A person or entity that takes out a loan.

**Business Subsidy** - a business receiving state or local government assistance must have a defined public purpose and recipients must set goals for job creation, wages and benefits to be achieved within two (2) years of receiving the assistance.

**Capital Improvement** - A physical improvement of property.

**Certificate of Occupancy** - A document issued by the city that indicates that a building has met all city requirements for legal occupancy of a specific use.

**City Comprehensive Plan** - A set of plans and policies adopted by the Mayor and City Council to guide the growth and development of the city. Sections of the plan include land use, economic development, transportation, parks, and housing.

**Collateral** - Property that can be assigned as security to ensure recovery of a loan, should a borrower default.

**Commitment Letter** - A document informing a STAR applicant of the city's intention to award STAR funds.

**Contract** - A legally binding agreement between the city and the recipient of STAR funds which specifies the terms, conditions, duties, and responsibilities of all participants.

**Credit Committee** - A select group of staff members of the Department of Planning and Economic Development that review financial aspects of proposed loans and grants. The Credit Committee provides financial and credit information to the Neighborhood STAR Board to aid in the development of funding recommendations.

**Credit risk** - An analysis of the financial viability of a proposed activity, including the

likelihood of loan repayment.

**Cultural District** - A defined area of downtown within which the Cultural STAR Program is targeted (Cultural STAR is a companion program that targets sales tax funds to projects benefiting the downtown cultural district).

**Deferred Loan** - The postponing of the repayment of a note. For example, interest and principal on STAR loans may be deferred for up to one year from the date of the contract with the city.

**Direct Project Costs** - Reasonable costs which are necessary to carry out the construction and completion of a capital project.

**District Council Plan** - A set of plans and policies adopted by the Mayor and City Council to guide the growth and development in one of the city's officially recognized planning districts.

**Eminent Domain** - The authority of a government to take, or authorize the taking of, private property for public use.

**Entity** - A company, business, or organization that has been officially licensed and/or recognized to conduct business.

**Final Evaluation** - A written assessment of the accomplishments and value of the completed program or project.

**Forgivable Loan** - A loan for which repayment is waived if certain conditions are met.

**Funding Cycle** - The annual time period required to notify the public, solicit and review proposals, and award STAR Program funds.

**Grant** - An award of funds for a project or program which does not require repayment.

**Grantee** - An entity that has been awarded a STAR grant.

**Job Creation** - Jobs that are pledged to be created as a result of a STAR activity.

**Leasehold Improvements** - Improvements to property held by a lease.

**Leverage** - Money or other resources committed to a project as a result of the receipt of STAR funds. The STAR Program requires a minimum \$1 for \$1 leverage of other resources.

**Little Davis-Bacon** - City requirements related to paying prevailing wage rates for work on a city-funded project.

**Living wage** - A level of wages that is sufficient to support a family household.

**Loan** - Funds that are awarded with the understanding that the money will be repaid.

**Loan Origination Fee** - A processing fee normally charged to the borrower by the entity making the loan.

**Match** - Money or other resources that are pledged to a STAR project or program along with STAR funds. The STAR Program requires a minimum \$1 for \$1 match of other resources with STAR funds.

**Minnesota Business Assistance** - Laws approved by the Minnesota State Legislature that require cities to document job creation that occurs as a result of the award of public economic development assistance funds.

**Neighborhood Fund** - The account that retains the sales tax proceeds designated for distribution through the Neighborhood STAR Program.

**Neighborhood STAR Board** - A select group of Saint Paul residents, appointed by the Mayor and City Council, that reviews applications and makes funding recommendations for the award of Neighborhood STAR funds.

**Neighborhood STAR Program** - The city program that awards loans and grants for capital neighborhood improvement projects. The STAR program is financed through the city's half-cent sales tax.

**Operating Assessment** - A supplemental fee charged by the city to property owners to pay for the maintenance and operation of public improvements that are considered above city standard.

**PILOT (Payment In Lieu Of Taxes)** - An agreement to make a payment to the city when a property will be removed from the tax rolls.

**Planning Commission** - A standing group of Saint Paul residents, appointed by the Mayor and City Council, charged with making recommendations regarding planning for the city's redevelopment and improvement.

**Pre-Construction Compliance Meeting** - A meeting held between city staff and the entities that have been awarded STAR funds to discuss city requirements that must be met as a condition of city funding.

**Prevailing Wage Standard** - A schedule of wages that has been defined as fair for construction workers.

**Program** - An activity by which funds are passed through an organization to an end user.

**Project** - A one-time capital improvement to a particular property.

**Project Management** - The activity of coordinating and overseeing the development and

completion of a funded project or program.

**Proforma** - A realistic projection of income and expenses for a typical year of operation, and a balance sheet that reflects the post-loan closing conditions.

**Proposal** - An application to fund a project or program.

**Reimbursement** - Payment from the city to an organization for capital improvement costs incurred in the completion of a project or program.

**Relocation** - State and Local requirements related to paying the costs of residents or businesses that are moved as a result of a city-funded project/program.

**Revolving Loan Program** - An activity that makes loans to homeowners or businesses for physical improvements, then recycles the repayments to make new loans for the same purpose.

**Risk Rating** - An estimate of the likelihood that a loan will be repaid, based on an analysis of the applicant's repayment capacity, capital and collateral position and conditions of loan approval.

**Scope of Services** - A description of the activities that will be performed in the implementation of a project or program, including person(s) responsible, a timeline, and detailed budget.

**Small Area Plan** - A plan adopted by City Council for the redevelopment or improvement of a defined geographic area within the city.

**Small Loan and Grant Program** - The Neighborhood STAR Program that awards small grants and/or loans of \$5,000 to \$25,000 for programs and projects.

**Sources and Uses** - A financial document that details all sources of program and project funds, and purpose for which the funds will be used.

**Status Reports** - Periodic statements made to the city by the participants on the progress of projects or programs.

**Sweat Equity** - Work a property owner performs to complete a capital improvement on their own property. The value of this work may be used as a partial match for STAR funds.

**Underwriting standards** - Credit requirements (including financial ratios) that must be met before a loan can be approved.

**Vendor Outreach Program** - A city program that assists in ensuring that a percentage of goods and services purchased by the city or by city-funded entities is purchased from small, minority-owned or women-owned businesses.